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sors, and job efficacy, Arnold and his colleagues also collected performance evaluation reports from supervisors on retail employees. As a result, they were able to match supervisors' performance evaluation reports with slightly more than 260 retail employees who returned surveys.

The findings of the study were generally in line with what Arnold and his colleagues had predicted. Specifically, they found that in highly competitive retail environments, the relationship between role ambiguity and job efficacy was weaker. In other words, a highly competitive store environment may reduce the impact of role ambiguity on employees' job efficacy. Likewise, when employees felt they worked in a competitive store environment, there was a positive relationship between their job satisfaction and their performance as assessed by a supervisor. But when employees felt their store environment was noncompetitive, there was no relationship between job satisfaction and performance. In essence, retail employees seem to thrive in competitive work environments, acting in ways that suggest they are "appreciated" by their immediate supervisor at the retail store level. Arnold and his colleagues noted that retail employees are likely to figure out ways to increase performance despite any role ambiguity in highly competitive environments. Put simply, employees in such retail environments find ways to handle stressors effectively.

So what practical implications does this study have for retail employees and store management? And how can management best use this information to ensure employee motivation and job satisfaction? In a nutshell, the study sheds significant light on what in-store retail managers should do for their employees. Clearly, stressors such as role ambiguity can reduce employees' sense of job efficacy, which, in turn, can dampen their job satisfaction and performance. Consequently, Arnold and his colleagues recommend that managers work with employees to reinforce their feelings of job efficacy. While that might involve managers helping employees deal with specific stressors, such as family-work conflicts, instituting a competitive store climate may also help by giving employees greater freedom of action as well as an opportunity to voice issues that can interfere with

performance (e.g., unclear or conflicting policies that contribute to role ambiguity or role conflict).

That said, although this study is intriguing and provides us with some very interesting results, it's important to remember that the findings are based on employee perceptions from one retail organization. Of course, Arnold and his colleagues recognize this limitation and propose that future research should examine retail operations on a broader level. Their work suggests that highly competitive environments can be a positive motivating force for retail employees. Such environments may help improve employee performance, and managers should attempt to ensure that the benefits of competition are maximized while not allowing other stressors to inhibit employee performance.

Source: Arnold, T., Flaherty, K. E., Voss, K. E., & Mowen, J. C. (2009). Role stressors and retail performance: The role of perceived competitive climate. *Journal of Retailing*, 85(2), 194–205.

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## What Accounts for Job Satisfaction Differences Across Countries?

*Research Brief by Nikos Bozionelos, Professor of Management and Organizational Behavior, Athens University of Economics and Business, and Kostantinos Kostopoulos, Teaching and Research Fellow in Management, Athens University of Economics and Business*

**D**o workers in different countries have different levels of job satisfaction? And if so, what might explain this? The answer to the first question is relatively straightforward: Many studies suggest that the answer is unequivocally yes. The second question, however, is less clear. Of course, that's because it's a more challenging question to answer, requiring systematic research with simultaneous measurement of a host of factors across a variety of countries. Fortunately, just such an effort was recently undertaken by Florian Pichler (University of Surrey) and Claire Wallace (University of Aberdeen).

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Put simply, job satisfaction reflects an individual's subjective evaluation of his or her work experiences. But that evaluation depends on the assessment of a number of extrinsic (e.g., financial rewards, career development) and intrinsic (e.g., autonomy, significance, challenge) aspects of the job. So what reasons lead people in different countries to evaluate their jobs differently? One popular explanation is institutional in nature—namely, that job satisfaction varies across countries because of inherent national differences in key conditions that influence how people evaluate their jobs. Such conditions include the nature of the national economy, as reflected, for example, in average wages, unemployment rate, degree of socioeconomic inequality, and level of unionization.

However, Pichler and Wallace suggest that before we resort to macro-level institutional factors to explain differences in job satisfaction across countries, factors such as job quality and workforce composition need to be examined. For instance, job satisfaction differences may be driven by the extent to which people in different countries hold jobs that differ in quality (e.g., level of interest, promotion prospects, security). Workforces in a country may also differ in terms of the proportion of employees in higher level occupations (e.g., professional/managerial) or subject to permanent employment contracts. These explanations include a micro-level and meso-level perspective, respectively, and should take precedence over institutional, macro-level views.

Consequently, Pichler and Wallace investigated whether individual and workforce composition factors were sufficient to explain differences in job satisfaction across all 27 countries in the European Union or whether institutional factors were also needed to complete the picture. Their data were collected by the European Foundation for the Improvement of Living and Working Conditions and included responses from 1,000 randomly selected employed individuals in each country. To analyze these data, Pichler and Wallace used multilevel analysis, a technique that allowed them to separate the effects of individual and compositional factors from the effects of institutional factors.

In line with earlier studies, the expected differ-

ences in job satisfaction among countries emerged. The general pattern was that satisfaction levels were considerably lower in eastern European countries. Moreover, job satisfaction tended to be somewhat higher in northern as opposed to southern European countries. Consistent with their predictions, Pichler and Wallace found that individual and compositional factors together explained nearly two thirds of the variance in job satisfaction across the 27 countries in their study.

Individual factors captured the extent to which the jobs performed in each country included important extrinsic and intrinsic characteristics (e.g., challenge, satisfactory pay, autonomy, interesting content, promotion prospects, job security). Furthermore, whether employees could pursue job-related training also helped to explain differences in job satisfaction across countries. Employees in countries with more of these job characteristics tended to report higher job satisfaction.

The main workforce composition factors that mattered were occupational class and type of employment contract. In essence, people in professional and managerial jobs and those performing nonmanual work reported more satisfaction than those who performed manual work. In addition, people working under permanent or long-term job contracts reported greater satisfaction than those in short-term contracts or with no contracts. Overall, employees in countries where greater proportions of the workforce perform professional, managerial, and nonmanual work and hold permanent and long-term contracts tended to report higher job satisfaction.

This brings us to the question of whether institutional characteristics could help explain differences in job satisfaction across countries. As it turns out, they did matter, but not very much: Individual and compositional factors were able to explain a much larger share of these cross-national differences. More specifically, institutional factors alone could not account for cross-national differences in job satisfaction. But three institutional factors—average wages, unemployment rate, and degree of socioeconomic inequality—were able to help explain the impact of certain individual and workforce composition factors across countries. For example, in countries with higher unemploy-

ment rates and lower average wages, employees in professional, managerial, and nonmanual jobs were much more satisfied than employees performing manual work. Likewise, in countries with greater socioeconomic inequality, employees performing nonmanual work were more satisfied with their jobs than their counterparts engaged in manual work.

Overall, this study suggests that differences in job satisfaction across countries are largely the result of individual-level factors and the composition of the workforce in each country as opposed to any inherent national characteristics. In a nutshell, while the same general factors may affect job satisfaction across countries, what differs is their prevalence (e.g., proportions of professional/managerial jobs relative to others). According to Pichler and Wallace, this makes sense because people—at least across Europe—generally prefer jobs that are interesting, secure, and of a higher level. And while institutional factors appear to matter less than previously thought, Pichler and Wallace note that they nonetheless can help us understand the effects of individual and compositional factors across countries. In addition, inherent national features, such as culture and history, can certainly help in understanding why particular constellations of individual and compositional characteristics have evolved within particular countries.

Finally, Pichler and Wallace's research has some limitations. For instance, both job satisfaction and job characteristics were measured with self-reports that were completed by the same people. In essence, this may have inflated certain relationships (e.g., relationships connecting job satisfaction with individual job factors). Moreover, the European Union has a well-developed economy with relatively high social homogeneity compared with the rest of the world. Put another way, differences in institutional factors, such as wage levels and socioeconomic inequality, are probably less pronounced across the European Union than across the globe. This means that institutional factors may have a more prominent role if wider differences across more disparate geographic regions are considered. Nevertheless, Pichler and Wallace's work sheds important light

on a complex subject, and the limitations inherent in their study simply underscore the need for more research about why job satisfaction differences exist across countries.

*Source:* Pichler, F., & Wallace, C. (2009). What are the reasons for differences in job satisfaction across Europe? Individual, compositional, and institutional explanations. *European Sociological Review*, 25, 535–549.

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## Does Treating the Permanent Workforce Well Matter to Temporary Employees?

*Research Brief by Nikos Bozionelos, Professor of Management and Organizational Behavior, Athens University of Economics and Business, and Ioannis Nikolaou, Associate Professor of Organizational Behavior, Athens University of Economics and Business*

**I**n their quest for flexibility and adaptability, organizations often rely on temporary employees. Yet temporary employees are more difficult to motivate and less likely to be committed to the organization than permanent employees. This should come as no surprise since the relationship of temporary employees to the client organization is likely to be governed by an economic exchange mentality instead of a social exchange. Economic exchange relationships are typically perceived to be of short duration, involve limited trust and investment, and strongly emphasize the financial element. On the other hand, social exchange relationships are viewed as longer term in nature, demanding personal investment, and revolving around trust and feelings of obligation.

Consequently, one way to improve the attitudes and behaviors of temporary employees is to provide support, inducements, and additional responsibilities similar to those enjoyed by permanent employees. However, this is at odds with the very motive behind the use of temporary employees. Nevertheless, it is in organizations' best interests to somehow maximize the motivation and commitment of temporary employees. The question is, can this be accomplished in a cost-efficient

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